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# Progress on the implementation of a flexible workplace at United Nations Headquarters

## Report of the Advisory Committee on Administrative and Budgetary Questions

## I. Introduction

1. The Advisory Committee on Administrative and Budgetary Questions has considered an advance version of the report of the Secretary-General on progress on the implementation of a flexible workplace at United Nations Headquarters (A/70/708). During its consideration of the report, the Committee met with representatives of the Secretary-General, who provided additional information and clarification, concluding with written responses received on 7 March 2016.

2. The report of the Secretary-General is submitted pursuant to General Assembly resolution 69/274 A (section VII), in which the Assembly, inter alia, requested the Secretary-General to continue to implement the planned activities as outlined in his previous report (A/69/749) and to review the costs of implementation of the project, including through reviewing reductions, to the maximum extent possible, in the personal information technology package, reducing new furniture requirements through the reuse of existing furniture and limiting light construction work. The General Assembly also requested the Secretary-General to assess the impact of the flexible workplace pilot on productivity and reflect reliable qualitative and quantitative benefit indicators and other factors for the improvement of overall productivity and staff well-being. In the same resolution, the Assembly encouraged the Secretary-General to seek complementarities between flexible workplace strategies and flexible working arrangements.

## II. Progress in the implementation of a flexible workplace

3. The Secretary-General provides an update on the status of implementation of flexible workplace strategies since the issuance of his previous report on the comprehensive business case for the application of such strategies (A/69/749). In



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his report, the Secretary-General provides an account of the activities implemented in 2015, and, based on the experience gained from the initial stage of the project implementation, presents a revised business case for the implementation of a flexible workplace at United Nations Headquarters (ibid., summary and paras. 6-18), which inter alia envisions a deeper engagement process with the departments and offices at Headquarters, increased variety of work space types, revised project sequence and schedule, a revised real estate plan, and revised project cost estimates. The Advisory Committee's comments and recommendations on the Secretary-General's proposals are provided in the paragraphs below.

## A. Pilot programme and assessment of departmental requirements

*Pilot programme*

4. The Advisory Committee recalls that to test the application of a flexible workplace in a United Nations working environment, the Secretary-General had implemented a pilot programme on part of the 18th floor and the 19th floor of the Secretariat Building, involving 128 staff from the Strategic Planning and Staffing Division of the Office of Human Resources Management, who moved into the reconfigured flexible space during the period from October to December 2014 (see A/69/810, para. 7, and A/69/749, para. 29). In his current report, the Secretary-General indicates that the pilot ended in January 2016 with the move of the occupants of the pilot space to temporary space. According to the Secretary-General, the feedback received from the pilot participants demonstrated the need for further changes in the workspace provided, which include more and better personal storage, more normal-height seating in working lounges, and replacement of sofa seating with booth-style spaces (A/70/708, para. 26). Upon enquiry, the Advisory Committee was informed that the feedback also demonstrated that specific space configurations provided for in the pilot space required further review and adjustments.

5. The Advisory Committee was informed upon enquiry that the implementation of the pilot involved an expenditure of $1,230,900, comprising the cost of consultant ($18,000), development of pilot space ($1,017,897) and information technology requirements ($195,003).

6. **The Advisory Committee is of the view that outcomes of pilot programmes should be analysed in greater detail to derive lessons learned that are crucial to apply while moving forward with change initiatives. The Committee expects that the Secretary-General will provide to the General Assembly such information on the pilot programme undertaken in respect of the implementation of a flexible workplace at United Nations Headquarters at the time of its consideration of his current proposal on this subject.**

*Assessment of departmental requirements*

7. The Secretary-General explains the process followed to assess the departmental requirements for determining the extent of customization of workspaces (ibid., paras. 19-25). According to the Secretary-General, the process of engagement with the department heads started in June 2015 with the objective to explain the main aspects and rationale of the flexible workplace project and to identify specific departmental requirements. During the engagement process, the

project team conducted an in-depth needs assessment for each floor, which were converted into floor design options that formed the basis of further discussions and a final agreement on the required floor design (ibid., paras. 23-24). The interactions with the departments demonstrated a need for a greater customization of space than initially anticipated (ibid., para. 16). The Secretary-General also indicates that the discussions with the department heads were followed by articles published on the Secretariat's intranet, mainly addressing staff members, who expressed anxiety and concerns regarding changes that the flexible workplace will bring to their overall operational environment. According to the Secretary-General, this further demonstrated the need for a more intense change management and engagement process involving the staff members (ibid., paras. 17-18).

8. **The Advisory Committee notes that establishing the departmental requirements related to workspace by the project team in collaboration with the department's representatives is fundamental for defining the project's scope and estimating a realistic timeframe and the related resource requirements for the project's implementation. The Committee trusts that in doing so, staff needs and well-being will continue to be given full consideration.**

## B. Space types

9. Taking into account the feedback received from the pilot-participants and other staff members during the assessment of departmental requirements, the Secretary-General proposes an increased variety of workspace types in his current proposal. A total of nine space types along with other refinements are proposed, compared with the six space types presented in his previous report on this subject (ibid., paras. 28-36).

## C. Project phases and impact on productivity

*Project phases*

10. The Secretary-General provides the scope and timeframe for the first and second phases of the project, and indicates that the project team is in discussion with other departments and offices to develop plans for the subsequent phases. The first phase involves the 13th, 18th and 19th floors of the Secretariat Building, comprising the Office of Information and Communications Technology, the Office of the United Nations High Commissioner for Human Rights and the Office of Human Resources Management. The Secretary-General indicates that all occupants of those floors moved to a temporary flexible workplace environment in early January 2016 and are scheduled to move back to reconfigured flexible space on their respective floors in late March. The second phase of the project is planned to be implemented during the period from April to June 2016 and involves the 20th, 21st and 32nd floors, comprising the Office of Central Support Services, the Office of Programme Planning, Budget and Accounts, the Office of the Under-Secretary-General for Management, the Office of the High Representative for the Least Developed Countries, Landlocked Developing Countries and Small Island Developing States and the Office of the Special Adviser on Africa (ibid., paras. 13-15 and 62).

11. **The Advisory Committee, noting that the Secretary-General provides implementation plans only for the first and second phases of the project that extend until June 2016, considers it essential to establish such plans in respect of the remaining phases of the project. The Committee recommends that the General Assembly request the Secretary-General to provide in his next progress report a detailed implementation plan for the full scope of the project which can serve as a reliable basis for estimating the corresponding resource requirement and the timeframe.**

*Impact on productivity and staff well-being*

12. The Advisory Committee recalls that the General Assembly, in its resolution 68/247 B, noted that flexible workplace strategies in the United Nations should be aimed at improving the overall productivity and efficiency of the Organization, as well as the staff workplace environment. The Advisory Committee further recalls that in its previous report on this subject, it recognized the difficulty in measuring productivity across the different functions performed in the Organization, but nonetheless considered that factors for the improvement of overall productivity should be taken into account in the implementation of a flexible workplace. The Committee had also requested the Secretary-General to provide this information in his next report on a flexible workplace (see A/69/810, para. 14).

13. The General Assembly, in its resolution 69/274 A, requested the Secretary-General to assess the impact of the flexible workplace pilot on productivity and reflect reliable qualitative and quantitative benefit indicators and other factors for the improvement of overall productivity and staff well-being. The Secretary-General indicates that to assess the impact of flexible workplace on productivity, a workplace performance index (WPI) was developed by the consultancy firm contracted to assist with the project. Details about the WPI and its use are provided in paragraphs 45 to 47 of the Secretary-General's report. According to the Secretary-General, the WPI, inter alia, measures the effectiveness of space provided to the staff members and their impression of the workplace and work environment. In this connection, the Secretary-General indicates that staff members participating in the first phase of the flexible workplace project were asked to complete the WPI in December 2015, prior to moving into flexible workplace. Later, after the staff members have worked in the new space for several months, they will be asked to complete the WPI again. The Secretary-General further indicates that responses to the WPI will be analysed and reported as part of his next progress report.

14. The Secretary-General also indicates that the impact of the flexible workplace on staff well-being was measured, using sick leave as a proxy indicator for a small sample of the pilot population consisting of 58 staff members.[1] In this regard, the Secretary-General indicates that as the project progresses, further data will be analysed, and updated information will be provided in his next progress report (ibid., para. 50).

15. Upon enquiry as to how factors for the improvement of overall productivity would be identified and analysed, the Advisory Committee was informed that a primary objective of the project is to provide reconfigured floors, using the flexible workplace space types tailored to address the specific work needs of the

[1] For these staff members of the pilot population, sick leave information was available for the pilot period and for a comparable period in the previous year.

departments that would occupy those floors. The Committee was further informed that the project team, in addition to interacting with the departments and offices to identify the work-related space requirements of staff, will also identify those features of their current workplace that require improvements to support their work-related needs. According to the Secretary-General, the new flexible workplace will provide all staff with more enclosed spaces as well as with designated quiet zones for specific work-related requirements. The Committee was also informed that the Secretariat expected these measures to have a positive impact on staff productivity.

16. **The Advisory Committee notes that an assessment of the impact of a flexible workplace on overall productivity and staff well-being has not yet been finalized and reiterates the request made by the General Assembly in its resolution 69/274 A in this regard. The Committee expects that the required assessment will be completed, and its results along with the benefit indicators and other relevant factors, as required by the Assembly, will be reflected in the next report of the Secretary-General.**

## D. Revised real estate plans

17. The Secretary-General provides information in respect of his revised real estate plans in paragraphs 58 to 60 of his report. The Advisory Committee recalls that in his previous report, the Secretary-General had indicated that the Secretariat, FF, DC-1, DC-2, Innovation, and the UNITAR buildings had been considered for possible implementation of a flexible workplace. In respect of the main considerations for each building, the Secretary-General had indicated that whereas the Secretariat and the FF buildings had been found to be suitable for the implementation of a flexible workplace, the DC-1, DC-2 and Innovation buildings were found not suitable for consideration, and the UNITAR building was found to already have characteristics of a flexible workplace (see A/69/749, paras. 13-14).

18. The Advisory Committee further recalls that the Secretary-General had indicated that after a detailed consideration of the current United Nations Headquarters real estate portfolio and the space efficiencies that could be achieved through implementation of a flexible workplace, it had been determined that leases in three buildings could be discontinued, by the time their current leases expired: the Daily News Building, at 220 East 42nd Street (April 2017), the Albano Building, at 305 East 46th Street (January 2018), and the UNFCU building, at Court Square in Long Island City (February 2018) (see A/69/749, para. 65).

19. In his current proposal, the Secretary-General indicates that after taking into account several factors, including the feedback received from the engagement with departments and staff at large and the consideration given to the comparative cost of leases, it became clear that the real estate plans reflected in the previous business case required re-evaluation and adjustments (ibid., paras. 55-58). The current proposal of the Secretary-General is based on the assumption that leases for two buildings in Manhattan, namely, the Daily News Building and the Innovation Building will be discontinued at the end of April 2017 and September 2018 respectively. According to the Secretary-General, the Daily News Building accommodates 125 staff members and the Innovation Building, 616 (ibid., paras. 55 and 60). Upon request, the present status of the leases of commercial property at the United Nations Headquarters as well as the envisaged status of such leases, should

the flexible workplace project be implemented, was provided to the Advisory Committee and is included in the annex to the present report.

20. In respect of the occupancy of the Albano Building, the Advisory Committee was informed upon enquiry that currently 660 staff members of the Department of General Assembly and Conference Management are located in the building, and that the Department had expressed a preference to continue to occupy the building until a permanent solution to the accommodation needs of the Secretariat could be found. The Committee was also informed that the Secretariat envisaged the current lease for the Albano Building, due to expire at the end of January 2018, to be extended for two years. At the time of the subsequent extension of the lease, a greater clarity was expected on the long-term accommodation needs for Headquarters, which would facilitate a decision on the future use of Albano Building.

21. In respect of the UNFCU building, the Advisory Committee was informed upon enquiry that currently 190 staff members are located in the building, and an additional 100 staff is anticipated to move to that location as the project progresses. Furthermore, the Secretary-General indicates that the cost of leasing the building is the lowest in the current real estate portfolio, and it was therefore considered prudent to retain that leased space (ibid., para. 58). The Secretary-General further indicates that this is in compliance with the endorsement of the Committee's conclusions and recommendations on long-term accommodation needs at United Nations Headquarters by the General Assembly, in its resolution 70/248 (ibid., para. 58).

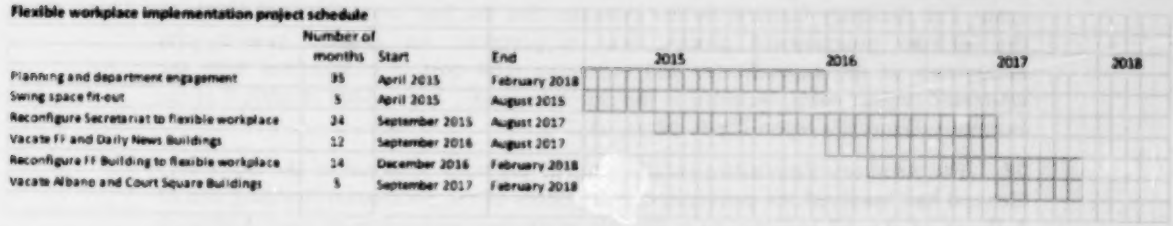
22. The Advisory Committee recalls that in that context, it had noted that a determination of the Organization's future space requirements is influenced by a number of concurrent business transformation projects, including the enterprise resource planning system (Umoja), the global service delivery model, and the information and communications technology (ICT) strategy. The Committee had also considered that a significant number of uncertainties needed to be addressed with respect to the impact of the Organization's business transformation initiatives on the number of staff and their physical space requirements in New York (see A/70/7/Add.22, paras. 11 and 13; see also para. 42 below). The Advisory Committee will provide its comments and recommendations on the Organization's global property management in its forthcoming report on Strategic Capital Review (A/70/7/Add.43).

23. The Advisory Committee discusses the impact of the Secretary-General's revised real estate plans on the anticipated reduction in long-term commercial rental costs in paragraphs 34 to 36 below.

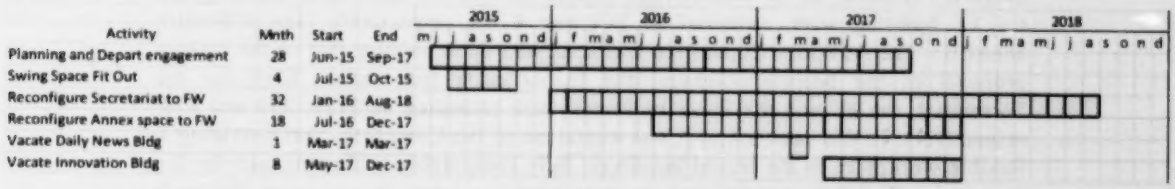
## E. Revised project implementation schedule

24. Along with his revised real estate plans, the Secretary-General also provides a revised project implementation schedule (ibid., para. 64). The implementation schedules provided in the previous and the current reports are reproduced below.

**Flexible Workplace Project implementation schedule (A/69/749)**


Flexible workplace implementation project schedule
Number of months
Start
End
2015
2016
2017
2018
Planning and department engagement 35 April 2015 February 2018
Swing space fit-out 5 April 2015 August 2015
Reconfigure Secretariat to flexible workplace 24 September 2015 August 2017
Vacate FF and Daily News Buildings 12 September 2016 August 2017
Reconfigure FF Building to flexible workplace 14 December 2016 February 2018
Vacate Albano and Court Square Buildings 5 September 2017 February 2018

**Flexible Workplace Project implementation schedule (A/70/708)**


Activity
Mnth
Start
End
2015
2016
2017
2018
m j j a s o n d j f m a m j j a s o n d j f m a m j j a s o n d j f m a m j j a s o n d
Planning and Depart engagement 28 Jun-15 Sep-17
Swing Space Fit Out 4 Jul-15 Oct-15
Reconfigure Secretariat to FW 32 Jan-16 Aug-18
Reconfigure Annex space to FW 18 Jul-16 Dec-17
Vacate Daily News Bldg 1 Mar-17 Mar-17
Vacate Innovation Bldg 8 May-17 Dec-17

25. **The Advisory Committee considers that revisions in the project implementation schedule impact the overall resource projections and the related timeframes. The Committee therefore emphasizes the need to establish a realistic implementation schedule, taking into account all the project deliverables, and once established, to adhere to the schedule.**

## III. Expenditure, revised estimated cost, anticipated reduction in long-term commercial rental costs and proposed funding

*Expenditure incurred in 2015*

26. The Secretary-General indicates that a total expenditure of $5,220,866 was incurred for the project's implementation in 2015. A breakdown of the expenditure by activity is provided in table 2, and by object of expenditure, in table 3 of the Secretary-General's report. It is further indicated that in 2015, the project expenditure was approximately $600,000 lower than anticipated, as the implementation started later than planned (ibid., para. 67).

*Revised estimated costs*

27. The Secretary-General indicates that the revised estimated costs for the project's implementation, involves the reconfiguration of 26 floors of the Secretariat Building, 3 floors of the FF building and 5 floors of the DC-1 building. The revised costs are estimated in the amount of $65.7 million, representing an increase of $16.1 million compared with the amount presented in his previous report (ibid., paras. 69-70). According to the Secretary-General, a revision of construction costs and the increased focus on customization of Secretariat floors have resulted in an increase in the estimated costs per floor for the project compared with the corresponding costs presented in the previous business case (ibid., summary). Although the Secretary-General indicates that the actual unit costs related to the first phase of the project are the most relevant comparable costs, and have been used

to estimate the total cost for the project, he also states that the actual unit costs of subsequent phases may be lower owing, inter alia, to potential for economies of scale. The Secretary-General further indicates that the final costs were unknown, as the relevant procurement process was in progress. An updated year-by-year breakdown of the expenditures and estimated total cost in comparison with the estimated project costs, included in the previous report, is provided in table 4 of the Secretary-General's report (ibid., paras. 68-77).

28. The Advisory Committee recalls that the previous proposal of the Secretary-General had involved the conversion of 26 floors of the Secretariat Building and of 8 floors of the FF building to a flexible workplace configuration (see A/69/810, para. 15). The Committee further recalls that in the previous proposal of the Secretary-General, the fit-out costs (per square foot) for the Secretariat Building and the FF building were estimated at $64 and $168, respectively (see A/69/810, annex II). The Advisory Committee was informed upon enquiry that in the current proposal of the Secretary-General the fit-out costs (per square foot) for the Secretariat, the FF and the DC-1 buildings were estimated as $122, $50 and $70, respectively. In this connection it was explained to the Committee that providing a flexible workplace in the leased buildings, fully comparable to that planned for the Secretariat Building, would lead to considerably higher fit-out costs for such buildings. Instead, the Secretary-General is proposing a more cost-effective approach, which is to introduce elements of the flexible workplace project in the leased buildings that can deliver most of the benefits to staff members assigned to these building floors. The Advisory Committee was further informed that whereas the estimated fit-out cost for the Secretariat Building is based on past expenditures and contract rates, the estimated costs for reconfiguration works in the FF and DC-1 buildings are based on generic square foot rates.

29. **The Advisory Committee considers that, given the wide variations in the fit-out costs projected for the two buildings between the previous and the current proposals of the Secretary-General, a further review of the methodology and underlying assumptions for estimating such costs is required to arrive at a reliable cost estimate for the entire project. The Advisory Committee expects that updated information in this regard will be provided in the next report of the Secretary-General.**

30. The Secretary-General requests the establishment of two additional General Service (Other level) positions, with effect from 1 April 2016 for the project team, which consists of three temporary positions: a Project Manager at the P-5 level, a Design and Construction Manager at the P-4 level, and an Administrative Assistant at the General Service (Other level) (ibid., paras. 7 and 85). The Advisory Committee was informed upon enquiry that in 2016, the Flexible Workplace project is proposed to move into the phase-by-phase implementation, which involves a larger volume of work compared with the preparation of the swing space undertaken earlier. In this respect, the Committee was further informed that three facilities management assistants General Service (Other level) would be required until the end of the project and that the Secretary-General is therefore proposing the establishment of two additional General Service (Other level) Facilities Management Assistant positions for the duration of the project. **The Advisory Committee considers that the existing capacity of the project team should be used to continue with the project implementation and recommends against the**

**establishment of two General Service (Other level) Facilities Management Assistant positions.**

31. The General Assembly, in its resolution 69/274 A, requested the Secretary-General to review the costs of implementation of the project, including through reviewing reductions to the maximum extent possible, in the personal information technology package, respecting the replacement cycle of ICT equipment, reusing existing desktop personal computers that have been replaced, reducing new furniture requirements through the reuse of existing furniture and limiting light construction work. In this regard, the Secretary-General indicates that the existing furniture, monitors and large-screen equipment will be reused and opportunities for reusing desktop computers that are being replaced by laptop computers were being explored (ibid., para. 61). Upon enquiry, the Advisory Committee was informed that the current proposal of the Secretary-General reflects a reduction in the amount of $57 per staff member in the cost of personal information technology packages when compared with the previous proposal.

32. The Secretary-General further proposes to contain costs related to furniture and minor construction requirements through an integrated and modular design and procurement process that would optimize the results of a competitive solicitation process and minimize the likelihood of change orders and cost escalations (ibid., summary).

33. **The Advisory Committee considers that notwithstanding the proposed reduction in the cost of the personal information technology package, the overall increase of $16.1 million in the estimated project costs presented in the current proposal of the Secretary-General is not in consonance with the request made by the General Assembly, particularly in respect of reviewing the costs of implementation of the project, including through reviewing reductions to the maximum extent possible under specific items. The Committee therefore recommends that the General Assembly request the Secretary-General to revisit his cost estimates for the project's implementation in accordance with the request made by the Assembly and provide updates in this regard in his next progress report.**

*Anticipated reduction in long-term commercial rental costs*

34. As indicated in paragraphs 17 to 22 above, the revised real estate plans of the Secretary-General, presented in his current proposal, are based on vacating two leased premises, compared with the vacating of three leased premises indicated in his previous business case. The Secretary-General indicates that relinquishing leases on two commercial properties (the Daily News and the Innovation Buildings) would result in reduced rental and operational costs in the amount of $2.2 million in 2017; $5.9 million in 2018; and $12.6 million annually from 2019 onward. According to the Secretary-General, the cost of the project implementation will be offset by the resulting reductions in rental and operational costs by 2023 (ibid., paras. 78-79). The Advisory Committee recalls that in his previous proposal, the Secretary-General had indicated that relinquishing the leases in three commercial properties (the Daily News, the Albano and the UNFCU buildings) would result in the reduction in annual lease rental costs by $18.1 million in 2018 and $19.8 million thereafter. The full cost of the project was anticipated to be offset by the reduction in rent and operational costs by 2020 (A/69/810, para. 11).

35. The Advisory Committee also recalls that at the time of recommending the implementation of a flexible workplace at Headquarters, it had emphasized that the anticipated savings arising from the termination of the leases in the Daily News, Albano and UNFCU Buildings were integral to the business case and that therefore it would be crucial to ensure the timely vacating of the leased office space in the three buildings (see A/69/810, para. 13).

36. **The Advisory Committee notes with concern that when compared with the previous proposal for the application of flexible workplace strategies of the Secretary-General, his current proposal indicates both a longer timeframe for offsetting the cost of project implementation by the anticipated reductions in rental and operational costs and a lower level of reduction in annual rental costs after the project costs have been fully offset (see also paras. 40-41 below).**

*Proposed funding*

37. The proposals of the Secretary-General related to the funding of the project are included in paragraphs 80 to 82 of his report. As indicated in paragraphs 27 and 28 above, the Secretary-General proposes an amount of $65.7 million as the cost of implementation of flexible workplace at the United Nations Headquarters, out of which expenditures in the amount of $5.2 million was incurred in 2015. For the remaining project duration, from 2016 to 2018, the Secretary-General proposes resources in the amount of $60.5 million.

38. For the implementation of the project during the biennium 2016-2017, the Secretary-General requests commitment authority in the amount of $47.3 million and indicates that the actual expenditures will be reflected in the second performance report on the programme budget for the biennium. The Secretary-General further indicates that the second performance report will also reflect the reductions in rental and the related operating costs in the amount of $2.2 million as a result of vacating the Daily News Building at the end of April 2017.

39. In connection with the overall estimated cost of the project, the Advisory Committee requested the estimated cost for phases 1 and 2 of the project. The Committee was informed that based on the overall cost estimate for the reconfiguration of 11 floors of the Secretariat building in 2016, provided in table 4 of the Secretary-General's report, the relevant cost estimate for phases 1 and 2 amounts to $12,440,100.

40. **Taking into account its observations and recommendation in paragraph 11 above, as well as the overall resource requirements estimated by the Secretary-General for the implementation of the project in 2016 the Advisory Committee recommends that the General Assembly authorize the Secretary-General to enter into commitments for an amount not exceeding $18 million for the period from 1 January to 31 December 2016.**

41. **The Advisory Committee further recommends that the General Assembly request the Secretary-General to submit, in the context of his next progress report, a detailed proposal for any further resources that may be required beyond 31 December 2016 for the implementation of the project, taking into account the Committee's comments and recommendations in paragraphs 8, 11, 16, 25, 29, 30, 33 and 36 above.**

# IV. Other matters

*Linkages with other initiatives*

42. The Secretary-General indicates that the flexible workplace project is coordinated with both the project to study long-term accommodation needs for Headquarters and the project to study global service delivery model (ibid., paras. 65-66). The Advisory Committee recalls its observation that the adoption by the General Assembly of a new global service delivery model could affect requirements in terms of the number, skills and location of staff. The Committee also recalls its recommendation that the General Assembly request the Secretary-General to reflect the expected impact of ongoing management improvement initiatives such as Umoja on space requirements at different Secretariat locations and to ensure that linkages with other ongoing reform initiatives within the Organization, are taken into account in the implementation of a flexible workplace (see A/68/583, para. 8, and A/69/810, para. 28).

*Complementarities with flexible working arrangements*

43. The Secretary-General indicates the measures taken to seek complementarities with flexible working arrangements in paragraphs 51 to 54 of his report. According to the Secretary-General, the Assistant Secretary-General for Human Resources Management has authorized extended telecommuting arrangements during the first phase of the project's implementation of the flexible workplace and based on the experience gained, extended arrangements will be considered for subsequent phases of the project. **In view of resolution 69/274 A, in which the General Assembly encouraged the Secretary-General to seek complementarities between flexible workplace strategies and flexible working arrangements, the Advisory Committee considers that such complementarities should be explored further for the maximum benefit of the Organization.**

*Flexible workplace strategies in other duty stations*

44. Pursuant to General Assembly resolution 69/274 A, in which the Assembly requested the Secretary-General to incorporate flexible workplace strategies in the ongoing design of the strategic heritage plan, as part of the next steps in the implementation of the project, the Secretary-General proposes to continue to work closely with other duty stations, including the United Nations Office at Geneva (ibid., para. 83 (c)). **The Advisory Committee recalls that in the same resolution, the General Assembly endorsed its recommendation to request the Secretary-General to assess the potential for application of flexible workplace strategies in all duty stations across the Organization and to provide this information in his next report on a flexible workplace. The Committee expects that the Secretary-General will provide further information in this regard in his next progress report.**

*Possibilities for cost recovery*

45. The Advisory Committee recalls that the General Assembly in its resolution 69/274 A, requested the Secretary-General to present information on the possibilities for cost recovery, including through the sale of used furniture and ICT equipment. Upon enquiry, the Advisory Committee was informed that as result of

the project implementation, the return of 2,938 desktop personal computers to OICT stock is anticipated. The total value of such computers is estimated at $881,400 (based on an approximate value of $300 per computer). The Committee was further informed that OICT introduced managed output services in 2012 which provide centralized on-demand print, scan, fax and copy services. All machines providing such services will be returned to reconfigured floors after the project's implementation (see also para. 29 above). **The Advisory Committee expects that the cost recovered from the items returned to OICT stock will be accurately accounted for.**

## V. Actions requested of the General Assembly

46. **Subject to its observations and recommendations above, the Advisory Committee recommends that the General Assembly:**

(a) **Take note of the progress made since the issuance of the last report on the implementation of a flexible workplace at United Nations Headquarters;**

(b) **Authorize the Secretary-General to enter into commitments not exceeding $18 million in respect of the project costs for the period from 1 January to 31 December 2016;**

(c) **Approve the continuation of three temporary positions (1 P-5, 1 P-4, and 1 General Service (Other level)) for the project team; and not approve two additional General Service (Other level) positions, with effect from 1 April 2016;**

(d) **Request the Secretary-General to submit his next report on flexible workplace strategies at the United Nations at the main part of its seventy-first session, including any further resources that may be required beyond 31 December 2016 for the implementation of the project and the funding modalities.**

## Annex

Table 1

**Present status of leases of commercial properties at United Nations Headquarters**

| *Leased Properties at United Nations Headquarters* | *Lease expiry* | *Option to renew* | *Renewal rights* | *Current annual rent* | *Size (gsf)* | *2015 headcount capacity* |
|---|---|---|---|---|---|---|
| Albano Building | Jan 2018 | Yes | 2020, 2025, 2035 | $10 288 300 | 187 060 | 734 |
| Alcoa | July 2015 | Yes | 2020 | $1 573 095 | 30 845 | 63 |
| Daily News Building | April 2017 | No | No | $2 324 172 | 31 891 | 125 |
| FF Building | April 2017 | No | 2027 | $8 512 161 | 138 381 | 550 |
| Innovation Bldg. | Sept. 2018 | Yes | 2023 | $7 758 468 | 127 188 | 616 |
| UNDC1 | March 2018 | Yes | 2023 | $10 074 008 | 196 566 | 909 |
| UNDC2 | March 2018 | Yes | 2023 | $14 292 531 | 312 064 | 1 151 |
| Court Square (UNFCU) | April 2018 | Yes | 2020, 2022, 2024 | $3 400 397 | 79 079 | 295 |
| Falchi | Dec. 2024 | Yes | | $69 318 | | 8 |
| | | | | **$58 292 450** | **1 103 074** | **4 451** |

Table 2

**Envisaged status of leases of commercial properties at United Nations Headquarters (should the proposed flexible workplace be implemented)**

| *Leased properties at United Nations Headquarters* | *Lease expiry* | *Option to renew* | *Renewal rights* | *Current annual rent* | *Size (gsf)* | *2015 occupancy* |
|---|---|---|---|---|---|---|
| Albano Building | Jan 2018 | Yes | 2020, 2025, 2035 | $10 288 300 | 187 060 | 734 |
| Alcoa | July 2015 | Yes | 2020 | – | – | – |
| Daily News Building | April 2017 | No | No | – | – | – |
| FF Building | April 2017 | No | 2027 | $8 512 161 | 138 381 | 550 |
| Innovation Bldg. | Sept. 2018 | Yes | 2023 | – | – | – |
| UNDC1 | March 2018 | Yes | 2023 | $10 074 008 | 196 566 | 909 |
| UNDC2 | March 2018 | Yes | 2023 | $14 292 531 | 312 064 | 1 151 |
| Court Square (UNFCU) | April 2018 | Yes | 2020, 2022, 2024 | $3 400 397 | 79 079 | 295 |
| Falchi | Dec. 2024 | Yes | | $69 318 | | 8 |
| | | | | **$46 636 715** | **913 150** | **3 647** |
| | | | **Reduction** | **$11 655 735** | **189 924** | **804** |